



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

☞ Appendix A ... segment II

LRB BILL HISTORY RESEARCH APPENDIX

☞ The drafting file for 2013 LRB-3678/1 (For: Governor)

has been copied/added to the drafting file for

2013 LRB-3687 (For: Governor)

☞ Are These “Companion Bills” ?? ... Yes

* These are companion bills but each drafting file contains material not contained in the other.



RESEARCH APPENDIX -
PLEASE KEEP WITH THE DRAFTING FILE

Date Transfer Requested: 11/26/2013 (Per: TJD)

☞ The attached draft was incorporated into the new draft listed above. For research purposes the attached materials were added, as a appendix, to the new drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.



State of Wisconsin
2013 - 2014 LEGISLATURE
December 2013 Special Session



LRB-3678/
PJK/TJD/JK: 31

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

needed to be
Friday A.M.
D. note

LPS - create
auto refs
+ check components

jld +
eev

✓

1 AN ACT, relating to: extending the deadline for the dissolution of the Health
2 Insurance Risk-Sharing Plan. ✓

✓ *Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 20.145 (5) (k) of the statutes, as created by 2013 Wisconsin Act 20,
4 is amended to read:

5 20.145 (5) (k) *Operational expenses.* All moneys transferred from the
6 appropriation account under par. (g) for operational expenses related to winding up
7 the affairs of the Health Insurance Risk-Sharing Plan, including hiring consultants,
8 limited-term employees, and experts.

9 SECTION 2. 71.07 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
10 is amended to read:

1 71.07 (5g) (b) *Filing claims.* Subject to the limitations provided under this
2 subsection, for taxable years beginning after December 31, 2005, and before January
3 1, ~~2014~~ 2015[✓], a claimant may claim as a credit against the taxes imposed under s.
4 71.02 an amount that is equal to the amount of the assessment under s. 149.13, 2011
5 stats., that the claimant paid in the claimant's taxable year, multiplied by the
6 percentage determined under par. (c) 1.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20 54; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

7 **SECTION 3.** 71.07 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
8 20, is amended to read:

9 71.07 (5g) (d) 2. No credit may be claimed under this subsection for taxable
10 years beginning after December 31, ~~2013~~ 2014[✓]. Credits under this subsection for
11 taxable years that begin before January 1, ~~2014~~ 2015[✓], may be carried forward to
12 taxable years that begin after December 31, ~~2013~~ 2014[✓].

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135, 183, 255, 267, 326; 2005 a. 25, 49, 72, 74, 97, 177, 254, 361, 387, 479, 483, 487; 2007 a. 11, 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20 54; s. 35.17 correction in (2dr) (a), (5n) (a) (intro.).

13 **SECTION 4.** 71.28 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
14 is amended to read:

15 71.28 (5g) (b) *Filing claims.* Subject to the limitations provided under this
16 subsection, for taxable years beginning after December 31, 2005, and before January
17 1, ~~2014~~ 2015[✓], a claimant may claim as a credit against the taxes imposed under s.
18 71.23 an amount that is equal to the amount of assessment under s. 149.13, 2011
19 stats., that the claimant paid in the claimant's taxable year, multiplied by the
20 percentage determined under par. (c) 1.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3394 to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54; s. 35.17 correction in (1dm) (a) 1.

1 **SECTION 5.** 71.28 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
2 20, is amended to read:

3 71.28 (5g) (d) 2. No credit may be claimed under this subsection for taxable
4 years beginning after December 31, 2013 2014. Credits under this subsection for
5 taxable years that begin before January 1, 2014 2015, may be carried forward to
6 taxable years that begin after December 31, 2013 2014.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 339r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54; s. 35.17 correction in (1dmi) (a) 1.

7 **SECTION 6.** 71.47 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
8 is amended to read:

9 71.47 (5g) (b) *Filing claims.* Subject to the limitations provided under this
10 subsection, for taxable years beginning after December 31, 2005, and before January
11 1, 2014 2015, a claimant may claim as a credit against the taxes imposed under s.
12 71.43 an amount that is equal to the amount of assessment under s. 149.13, 2011
13 stats., that the claimant paid in the claimant's taxable year, multiplied by the
14 percentage determined under par. (c) 1.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20.

15 **SECTION 7.** 71.47 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
16 20, is amended to read:

17 71.47 (5g) (d) 2. No credit may be claimed under this subsection for taxable
18 years beginning after December 31, 2013 2014. Credits under this subsection for
19 taxable years that begin before January 1, 2014 2015, may be carried forward to
20 taxable years that begin after December 31, 2013 2014.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 20.

21 **SECTION 8.** 76.655 (2) of the statutes, as affected by 2013 Wisconsin Act 20, is
22 amended to read:

1 76.655 (2) FILING CLAIMS. Subject to the limitations provided under this section,
2 for taxable years beginning after December 31, 2005, and before January 1, 2014
3 2015✓, a claimant may claim as a credit against the fees imposed under ss. 76.60,
4 76.63, 76.65, 76.66 or 76.67 an amount that is equal to the amount of assessment
5 under s. 149.13, 2011 stats., that the claimant paid in the claimant's taxable year,
6 multiplied by the percentage determined under sub. (3).

History: 2005 a. 74; 2013 a. 20.

7 **SECTION 9.** 76.655 (5)✓ of the statutes, as created by 2013 Wisconsin Act 20, is
8 amended to read:

9 76.655 (5) SUNSET. No credit may be claimed under this section for taxable
10 years beginning after December 31, 2013 2014✓. Credits under this section for taxable
11 years that begin before January 1, 2014 2015✓, may be carried forward to taxable
12 years that begin after December 31, 2013 2014✓.

History: 2005 a. 74; 2013 a. 20.

13 **SECTION 10.** 177.075 (3)✓ of the statutes, as created by 2013 Wisconsin Act 20,
14 is amended to read:

15 177.075 (3) Any intangible property distributable in the course of the
16 dissolution of the Health Insurance Risk-Sharing Plan under 2013 Wisconsin Act
17 20, section 9122 (1L), and 2013 Wisconsin Act (this act), section X (1) (b), is
18 presumed abandoned as otherwise provided under this chapter if sub. (1) (a), (b), or
19 (c) does not apply with respect to the distribution.

A.R. +

a.r. y

a.r. z

History: 2003 a. 33; 2013 a. 20.

20 **SECTION 11.** 895.514 (2)✓ of the statutes, as created by 2013 Wisconsin Act 20,
21 is amended to read:

22 895.514 (2) No cause of action of any nature may arise against, and no liability
23 may be imposed upon, the authority, plan, or board; or any agent, employee, or
24 director of any of them; or insurers participating in the plan; or the commissioner;

1 or any agent, employee, or representative of the commissioner, for any act or
2 omission by any of them in the performance of their powers and duties under ch. 149,
3 2011 stats., ~~or~~ under 2013 Wisconsin Act 20, section 9122 (1L), or under 2013
4 Wisconsin Act (this act), section X (1) (b), unless the person asserting liability
5 proves that the act or omission constitutes willful misconduct.

History: 2013 a. 20.

6 **SECTION 12.** 895.514 (3) (a) of the statutes, as created by 2013 Wisconsin Act
7 20, is amended to read:

8 895.514 (3) (a) Except as provided in 2013 Wisconsin Act 20, section 9122 (1L),
9 and 2013 Wisconsin Act (this act), section X (1) (b), neither the state nor any
10 political subdivision of the state nor any officer, employee, or agent of the state or a
11 political subdivision acting within the scope of employment or agency is liable for any
12 debt, obligation, act, or omission of the authority.

History: 2013 a. 20.

13 **SECTION 13.** 895.514 (3) (b) of the statutes, as created by 2013 Wisconsin Act
14 20, is amended to read:

15 895.514 (3) (b) All of the expenses incurred by the authority, or the
16 commissioner, or any agent, employee, or representative of the commissioner, in
17 exercising its duties and powers under ch. 149, 2011 stats., ~~or~~ under 2013 Wisconsin
18 Act 20, section 9122 (1L), or under 2013 Wisconsin Act (this act), section X (1) (b),
19 shall be payable only from funds of the authority or from the appropriation under s.
20 20.145 (5) (g) or (k), or from any combination of those payment sources.

NOTE: NOTE: This section is created eff. 1-1-15 by 2013 Wis. Act 20. NOTE:

History: 2013 a. 20.

21 **SECTION 14. Nonstatutory provisions.**

22 (1) COVERAGE EXTENSION OF THE HEALTH INSURANCE RISK-SHARING PLAN;
23 ISSUANCE OF MEDICARE SUPPLEMENT AND REPLACEMENT POLICIES.

Section 14-20 ✓

- 1 (a) *Definitions*.[✓] In this subsection:[✓]
- 2 1. "Authority" means the Health Insurance Risk-Sharing Plan Authority
- 3 under subchapter III[✓] of chapter 149 of the statutes.[✓]
- 4 2. "Commissioner" means the commissioner of insurance.[✓]
- 5 3. "Covered person" means a person who has coverage under the plan.[✓]
- 6 4. "Medicare" has the meaning given in section 149.10 (7)[✓] of the statutes.
- 7 5. "Medicare Advantage" has the meaning given in section INS 3.39 (3) (r),
- 8 Wisconsin Administrative Code.[✓]
- 9 6. "Medicare replacement policy" has the meaning given in section[✓] 600.03 (28p)
- 10 of the statutes.
- 11 7. "Medicare supplement policy" has the meaning given in section[✓] 600.03 (28r)
- 12 of the statutes.
- 13 8. "Office" means the office of the commissioner of insurance.[✓]
- 14 9. "Plan" means the Health Insurance Risk-Sharing Plan under[✓] subchapter II
- 15 of chapter 149 of the statutes.
- 16 (b) ^{a.r. Z} *Extension of the plan and authority*.[✓] Notwithstanding any statute,
- 17 administrative rule, or provision of a policy or contract or of the plan to the contrary,
- 18 the dissolution of the plan and the authority as provided in 2013 Wisconsin Act 20,
- 19 section 9122 (1L), is modified as follows:^g
- 20 ^{a.r. A} 1. 'Coverage provisions.'
- 21 ^{a.r. B} a. A covered person whose coverage under the plan was in effect on December
- 22 1, 2013,[✓] and who paid his or her December premium may elect to obtain a policy
- 23 under the plan by making a timely payment of the January^g 2014^g premium. The
- 24 covered person[✓] must maintain the same policy benefits, including the same
- 25 deductible amount, that were in effect on December 1, 2013.[✓] A new deductible period

(1) will commence on January 1, 2014. The premium for January 2014 must be paid
2 no later than February 1, 2014. Thereafter, the covered person must pay premiums
3 in accordance with the terms of the contract for coverage, which may not extend
4 beyond 11:59 p.m. on March 31, 2014. Any medical claims that the covered person
5 incurs after December 31, 2013, and before the plan receives the premium payment
(6) for January 2014 shall be held in abeyance and the plan shall not be responsible for
7 payment.

****NOTE: I used "held in abeyance" instead of "pending." Will the plan pay for these
claims after the premium is received? If so, it should be stated "until premium payment
is received."

(8) (b) If a covered person's coverage under the plan is funded under a contract with
9 the federal department of health and human services, the covered person's coverage
10 will end as provided in 2013 Wisconsin Act 20, section 9122 (1L) (b) 1. b., unless the
11 federal department of health and human services issues a contract amendment that
12 extends the contract and coverage to a date later than December 31, 2013, and the
13 terms of the contract amendment are such that the federal government will be
14 financially liable for all costs related to the operation of the contract that exceed
15 member premium collections.

(16) c. If the requirements under subdivision 1. b. are satisfied, a covered person
17 whose coverage is funded under a contract with the federal department of health and
18 human services, whose coverage under the plan was in effect on December 1, 2013,
19 who paid his or her December premium, and who had not enrolled in Medicare
20 Advantage during the federal open enrollment period in 2013 or earlier may elect to
(21) obtain a policy under the plan by making a timely payment of the January 2014
22 premium. The covered person must maintain the same policy benefits, including the
23 same deductible amount, that were in effect on December 1, 2013. A new deductible

1 period will commence on January 1, 2014. The premium for January 2014 must be
2 paid no later than February 1, 2014. Thereafter, the covered person must pay
3 premiums in accordance with the terms of the contract for coverage, which may not
4 extend beyond 11:59 p.m. on March 31, 2014. Any medical claims that the covered
5 person incurs after December 31, 2013, and before the plan receives the premium
6 payment for January 2014 shall be held in abeyance and the plan shall not be
7 responsible for payment.

***NOTE: I used "held in abeyance" instead of "pending." Will the plan pay for these
claims after the premium is received? If so, it should be stated "until premium payment
is received."

***NOTE: "During the open enrollment period in 2013 or earlier" is a bit vague. Is
that limited to earlier in 2013?

8 d. No later than February 1, 2014, the authority shall provide notice that
9 coverage shall terminate on March 31, 2014, to all covered persons, all insurers and
10 providers that are affected by the termination of the coverage, the office, the
11 legislative audit bureau, and the insurers described in paragraph (c) 1.

***NOTE: I thought it would be more relevant to the insurers in paragraph (c) in
this subsection.

12 2. 'Provider claims.' Any claim for payment from a provider of medical services
13 and devices and prescription drugs to a covered person whose coverage is extended
14 as provided in this paragraph must be filed no later than June 1, 2014. Any claim
15 filed after that date is not payable and may not be charged to the covered person who
16 received the service, device, or drug. Except for copayments, coinsurance, or
17 deductibles required under the plan, consistent with section 149.14 (3) of the statutes
18 and section 149.142 (2m) of the statutes, a provider may not bill a covered person who
19 receives a covered service or article and shall accept as payment in full the payment
20 rate determined under section 149.142 (1) of the statutes.

***NOTE: I limited this to claims for services, etc., provided to persons whose
coverage is extended, or it would not make sense to include this here since it is the same

as when claims must be filed for persons whose coverage is not extended under Act 20, as amended by this bill. Note that I required claims to be filed rather than received by June 1, 2014.

3. 'Grievances and review.' ✓
a.s. D

a.s. E

a. Any grievance by a covered person whose coverage is extended as provided

in this paragraph must be in writing and received by the plan no later than July 1,

2014, or be barred.

a.s. F

b. A covered person whose coverage is extended as provided in this paragraph

who submits a grievance after March 31, 2014, must request an independent review,

if any, with respect to the grievance no later than August 1, 2014, or be barred from

requesting an independent review with respect to the grievance.

a.s. G

4. 'Payment of plan costs.' ✓

a. To the extent possible, the authority shall pay plan costs incurred in 2013

and 2014 and all other costs associated with operating and dissolving the plan that

are incurred before administrative responsibility for the dissolution of the plan is

transferred to the office on February 28, 2014. ✓

****NOTE: I removed the language about "requirements are met as provided in subsection (1L) (b) 8." because I didn't know what requirements were being referred to and what the relationship was to the rest of the sentence. If you want some language back in, please clarify the meaning.

a.s. H

b. The authority, before March 1, 2014, and the office, on and after March 1,

2014, shall pay plan costs in the manner provided in section 149.143 of the statutes,

except that the authority or office may use all available surplus before imposing an

assessment against insurers, as described in subdivision 4. c. All claims shall be

adjudicated on or before September 30, 2014. ✓

a.s. Hm

c. The authority, before March 1, 2014, and the office, on and after March 1,

2014, but by no later than July 1, 2014, shall determine whether an assessment of

insurers under section 149.13 of the statutes is necessary to cover in full the plan's

1 expenses related to operations, winding up operations, and dissolution of the plan.

2 Such assessment shall be based on the 2013 filed plan assessment form.

3 5. 'Dissolution notice, claims, and updates.' ✓
 ← a.r. I

4 a. On behalf of the commissioner, the authority shall provide notice of the plan's
 ← a.r. J

5 dissolution to all persons known, or reasonably expected from the plan's records, to

6 have claims against the plan, including all covered persons. The notice shall be sent

7 by ^{e 1st} first class mail to the last-known addresses no later than February 1, 2014. ✓

8 Notice to potential claimants of the plan shall require the claimants to file their

9 claims, together with proofs of claims, by June 1, 2014. ✓ The notice shall be consistent

10 with any relevant terms of the policies under the plan and contracts and with section

11 645.47 (1) (a) ✓ of the statutes. The notice shall serve as final notice consistent with

12 section 645.47 (3) ✓ of the statutes.

13 b. Proofs of all claims must be filed with the office in the form provided by the

14 office consistent with the proof of claim, as applicable, under section 645.62 ✓ of the

15 statutes, on or before the last day for filing specified in the notice. For good cause

16 shown, the office shall permit a claimant to make a late filing if the existence of the

17 claim was not known to the claimant and the claimant files the claim within ✓ 30 days

18 after learning of the claim, but not later than September 1, 2014. ✓ Any such late claim

19 that would have been payable under the policy under the plan if it had been filed

20 timely and that was not covered by a succeeding insurer shall be permitted unless

21 the claimant had actual notice of the termination of the plan or the notice was mailed

22 to the claimant by ^{e 1st} first class mail at least 10 ✓ days before the insured event occurred.

****NOTE: Should this be limited to persons who extend coverage? This is the same
as under Act 20, as amended. Why are two identical provisions necessary?

23 (c) Medicare supplement and replacement policy issuance. ✓
 ← a.r. K

a.r. Z a.r. A a.r. BC a.r. C

paragraph a.r. Z

paragraph

***NOTE: Are the people affected by this provision the same people described in par. (b) 1. b. and c. above? If so, all that is needed are the following provisions. I removed the proposed subdivision extending their HIRSP coverage because it is not needed. Coverage has already been extended under par. (b) 1. b. and c. above. The provision in Act 20 that is similar to this was intended for the purpose of guaranteeing issue under Medicare supplement and replacement policies to persons eligible for Medicare whose coverage under HIRSP was ending. It was separate from the provisions related to terminating coverage under HIRSP and so this paragraph should not include any HIRSP coverage extension. If I am mistaken and the people to whom this paragraph applies are not the same people described in par. (b) 1. b. and c. above, please let me know. There is no description of individuals in Act 20's subsection (1m) (b), as the proposed language suggested.

a.r. BC

paragraph

1. In addition to the requirement under 2013 Wisconsin Act 20, section 9122 (1m), an insurer offering a Medicare supplement policy or a Medicare replacement policy in this state shall provide coverage under the policy to any individual who satisfies all of the following:

1. a. The individual is eligible for Medicare.
b. The individual had coverage under the plan.

***NOTE: It should not be necessary to specify that the individual had coverage on December 1, 2013, because that is a requirement for extended coverage that ends on March 31, 2014, as provided in subdivision 1. c. below.

- c. The individual's coverage under the plan terminated on March 31, 2014.
d. The individual applies for coverage under the policy before 63 days after the date specified in subdivision 1. c.
e. The individual pays the premium for the coverage under the policy.
2. An insurer under subdivision 1. may not deny coverage to any individual who satisfies the criteria under subdivision 1. a. to e. on the basis of health status, receipt of health care, claims experience, or medical condition including disability.

a.r. MA

1 3. In addition to any other notice requirements to insurers, no later than
2 February 1, 2014, the authority shall provide notice to the insurers described in
3 subdivision 1. of the requirements under this paragraph.✓

4 a.s. m⁺
5 **SECTION 15. Effective dates.**✓ This act takes effect on the day after publication,
6 except as follows:

7 (1) HEALTH INSURANCE RISK-SHARING PLAN.✓ The treatment of section✓ 895.514
8 (2)✓ and (3) (a)✓ and (b)✓ of the statutes takes effect on January 1, 2015.✓

(END)

D-note
↓

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

action: ACT:
RP+CC

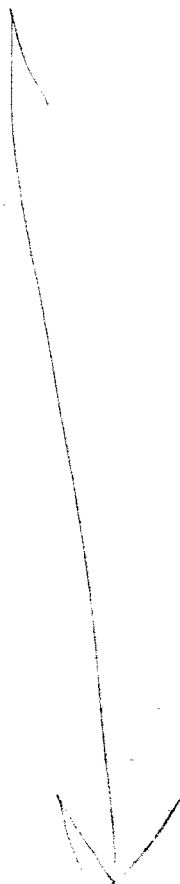
Insert 5-20

1086

SECTION #. 2013 Wisconsin Act 20, section

9122 (1L) (b) 1. b. ~~and c. and d.~~^{g1}
↑ letter ↑

is repealed and recreated to read:



Insert 5-20 Cont. 2830

LRBb0097/2
PIK&JK rev:jf

Except as provided in 2013 Wisconsin Act 20 (the act), section X(1)(b)1. a. to c. (A.F.C.)

with the federal department of health and human services may not be issued to any person after December 1, 2013.

b. Coverage under the policies issued under the plan terminates on January

1, 2014, or on the date that any health insurance coverage that is accessed through an American health benefit exchange, as described in 42 USC 18031, in this state is effective, if later than January 1, 2014. At least 60 days before coverage terminates,

the authority shall provide notice of the date on which coverage terminates to all covered persons, all insurers and providers that are affected by the termination of the coverage, the office, the legislative audit bureau, and the insurers described in subsection (1m) (b) 1.

c. If coverage under the policies issued under the plan terminates on a date that is later than January 1, 2014, because no health insurance coverage that is accessed through an American health benefit exchange, as described in 42 USC 18031, in this state is effective on January 1, 2014, the authority may allow covered persons whose coverage under the plan is funded under a contract with the federal department of health and human services to elect to be covered, until coverage under the plan terminates, under the same coverage provided under the plan to covered persons whose coverage under the plan is not funded under a contract with the federal department of health and human services.

2. 'Provider claims.' Providers of medical services and devices and prescription drugs to covered persons must file claims for payment no later than 90 days after the date coverage terminates under subdivision 1. b. Any claim filed after that date is not payable and may not be charged to the covered person who received the service, device, or drug. Except for copayments, coinsurance, or deductibles required under the plan, during the 90 days after the date coverage terminates under subdivision

4 (2013 Wisconsin Act 20) Section 9122 (1)(b)1.
at end of this insert
Insert (1)(c)
at end of this insert

A.F. X
A.F. A
A.F. C
A.F. B
A.F. Y

at 11:59 p.m. on December 31, 2013

Insert (1)(b) at end of this insert

June 1, 2014

4 (2013 Wisconsin Act 20) Section 9122 (1)(b)1.

Insert 5-20 cont.
3/9/8

1. b., consistent with section 149.14 (3) of the statutes and section 149.142 (2m) of the statutes, a provider may not bill a covered person who receives a covered service or article and shall accept as payment in full the payment rate determined under section 149.142 (1) of the statutes.

action: act: am

5. ~~By Grievances and review~~

SECTION 4. 2013 Wisconsin Act 20, section 9122 (1)(b) 3. a. and c.

6. a. Except for a grievance related to a prior authorization denial, a covered person must submit any grievance, in writing, no later than 180 days after the date coverage terminates under subdivision 1. b. or be barred from submitting the grievance.

b. A covered person must submit any grievance related to a prior authorization denial no later than 45 days before the date on which coverage terminates under subdivision 1. b. or be barred from submitting the grievance, except that a grievance related to a prior authorization denial that meets the requirements for an expedited grievance must be submitted no later than the date on which coverage terminates under subdivision 1. b. or be barred.

c. A covered person who submits a grievance after the date coverage terminates under subdivision 1. b. must request an independent review, if any, with respect to the grievance no later than 60 days after he or she receives notice of the disposition of the grievance or be barred from requesting an independent review with respect to the grievance.

4. 'Payment of plan costs.' The authority shall pay plan costs incurred in 2013 and all other costs associated with dissolving the plan that are incurred before administrative responsibility for the dissolution of the plan is transferred to the office under subdivision 8. The authority and the office shall make every effort to pay

2013 Wisconsin Act 20 Section 9122 (1)(b) 3.

and 4. (c) amended to read: (this act) section

SCORE

*Insert 5-20 498
cont*

1 plan costs in accordance with, or as closely as possible to, the manner provided in
2 section 149.143[✓] of the statutes.

3 5. 'Contracts.' The authority may extend any administrative contracts that are
4 in effect into 2014, regardless of a contract's expiration date and without having to
5 comply with the requirements under section 149.47 of the statutes for the extension.

6 6. 'Report to legislature.' The authority shall submit a final report on plan
7 operation to the legislature under section 13.172 of the statutes no later than
8 September 30, 2013.

9 7. 'Board responsibilities.' The board shall do all of the following:

10 a. Develop a proposal, which shall be followed by the office, for the dispensation
11 of the plan's cash assets after all financial obligations of the plan and authority are
12 satisfied. To the extent feasible and practical, the proposal shall provide for the
13 return of any remaining equity to the source from which derived, including insurers,
14 providers, and covered persons. The proposal shall provide for alternative
15 dispensations in the event that returning any remaining equity is not feasible or
16 practical, such as using remaining cash assets in support of activities providing an
17 indirect benefit to the insurers, providers, and covered persons.

18 b. Dispose of the noncash assets of the authority as soon as possible after the
19 administrative offices of the authority are closed.

20 c. Make any other decisions and take any other actions necessary to effectively
21 wind up the operations and affairs of the authority and plan and transfer
22 responsibility to the office. All actions taken by the board must be consistent with
23 the purpose of, and may not endanger the solvency of, the plan.

24 8. 'Transfer to the office.' On the date that is 60 days after the date coverage
25 under the plan terminates under subdivision 1. b., all of the following shall occur:

SECTION 2013 Wisconsin Act 20, Section 9122(1L)(b) 8. (intro.) is

1 plan costs in accordance with, or as closely as possible to, the manner provided in
2 section 149.143 of the statutes.

3 5. 'Contracts.' The authority may extend any administrative contracts that are
4 in effect into 2014, regardless of a contract's expiration date and without having to
5 comply with the requirements under section 149.47 of the statutes for the extension.

6 6. 'Report to legislature.' The authority shall submit a final report on plan
7 operation to the legislature under section 13.172 of the statutes no later than
8 September 30, 2013.

9 7. 'Board responsibilities.' The board shall do all of the following:

10 a. Develop a proposal, which shall be followed by the office, for the dispensation
11 of the plan's cash assets after all financial obligations of the plan and authority are
12 satisfied. To the extent feasible and practical, the proposal shall provide for the
13 return of any remaining equity to the source from which derived, including insurers,
14 providers, and covered persons. The proposal shall provide for alternative
15 dispensations in the event that returning any remaining equity is not feasible or
16 practical, such as using remaining cash assets in support of activities providing an
17 indirect benefit to the insurers, providers, and covered persons.

18 b. Dispose of the noncash assets of the authority as soon as possible after the
19 administrative offices of the authority are closed.

20 c. Make any other decisions and take any other actions necessary to effectively
21 wind up the operations and affairs of the authority and plan and transfer
22 responsibility to the office. All actions taken by the board must be consistent with
23 the purpose of, and may not endanger the solvency of, the plan.

24 (24) 8. "Transfer to the office." (intro.) On the date that is 60 days after the date coverage
25 under the plan terminates under subdivision 1. b), all of the following shall occur:

January 28, 2014

added and reinserted to read:

SECTION #. 2013 Wisconsin Act 20, section 9122 (1L) (b) 8.a., 9.a., 10.

- (1) a. Administrative responsibility for the dissolution of the plan is transferred
(2) to the office. The commissioner shall take any action necessary or advisable to ^{manage and} wind
(3) up the affairs of the plan ^{delete} ~~in accordance with the proposal developed by the board~~
(4) ^{delete} ~~under subdivision 7. a.~~ and shall notify the legislative audit bureau when the windup
5 is completed and provide to the legislative audit bureau the final financial
6 statements of the plan. For purposes of chapter 177 of the statutes, as affected by
7 this act, the dissolution, and winding up of the affairs, of the plan shall be considered
8 a dissolution of an insurer in accordance with section 645.44 of the statutes, except
9 that a court order of dissolution is not required to effect the dissolution of the plan. ✓

10 b. All remaining cash assets of the plan, including the balance in the Health
11 Insurance Risk-Sharing Plan fund, are transferred to the appropriation account
12 under section 20.145 (5) (g) of the statutes, as created by this act.

13 c. All tangible personal property, including records, of the authority not already
14 disposed of by the board is transferred to the office.

15 d. All contracts and agreements entered into by the board that are in effect are
16 transferred to the office. The office shall carry out any contractual obligations under
17 such a contract or agreement until the contract or agreement terminates or is
18 modified or rescinded by the office to the extent allowed under the contract or
19 agreement. The office may enter into such other contracts as are necessary to carry
20 out the dissolution of the plan.

21 e. Any matters pending with the authority or plan, including grievances and
22 independent reviews, payment claims, subrogation claims, drug rebate claims, and
23 legal actions or causes of action, are transferred to the office and all materials
24 submitted to and actions taken by the office with respect to a pending matter are
25 considered as having been submitted to or taken by the authority or plan.

3. and 6. and 11. b. of amendments to read:

(2013 Wisconsin Act 20) Section 9122 (1L) (b) 8.

Insert 520 708 E
cont

9. 'Health Insurance Risk-Sharing Plan advisory committee.'

(2) 9. a. There is created, ^{60 days after the date coverage under the plan terminates}
~~under subdivision 1. b.~~ ^{on March 1, 2014} a Health Insurance Risk-Sharing Plan advisory committee
 consisting of the commissioner, or his or her designee, and the other 13 members of
 the board holding office on the date the advisory committee is created.

b. If a vacancy occurs on the Health Insurance Risk-Sharing Plan advisory
 committee, the governor shall appoint a successor, who must meet the same
 qualifications and criteria as the member who is being replaced.

c. The Health Insurance Risk-Sharing Plan advisory committee shall advise
 and assist the office with its duties under subdivision 8. related to the dissolution and
 winding up of the plan. The office shall staff and provide funding for the Health
 Insurance Risk-Sharing Plan advisory committee.

d. The Health Insurance Risk-Sharing Plan advisory committee shall
 terminate 60 days after the final audit of the plan is conducted by the legislative
 audit bureau under subdivision 11. b.

10. 'Dissolution notice, claims, and updates.'

(17) 10. a. On behalf of the commissioner, the authority shall provide notice of the plan's
 dissolution to all persons known, or reasonably expected from the plan's records, to
 have claims against the plan, including all covered persons. The notice shall be sent
 by first class mail to the last-known addresses at least 60 days before the date on
 which coverage terminates under subdivision 1. b. ^{Notice to potential claimants of}
 the plan shall require the claimants to file their claims, together with proofs of
 claims, ~~within 90 days after the date on which coverage terminates under~~ ^{strike 2}
~~subdivision 1. b.~~ ^{strike period} The notice shall be consistent with any relevant terms of the policies

by June 1, 2014

Score

14.0
5.0
(2.5)

Score - as provided in 2013 Wisconsin Act... (this act), section 11.06

Insert 5-20 cont 8 of 8

1 under the plan and contracts and with section 645.47 (1) (a) of the statutes. The
2 notice shall serve as final notice consistent with section 645.47 (3) of the statutes.

3 b. Proofs of all claims must be filed with the office in the form provided by the
4 office consistent with the proof of claim, as applicable, under section 645.62 of the
5 statutes, on or before the last day for filing specified in the notice. For good cause
6 shown, the office shall permit a claimant to make a late filing if the existence of the
7 claim was not known to the claimant and the claimant files the claim within 30 days

8 after learning of the claim, but not ~~more than 210 days after the date on which~~

9 ~~coverage terminates under subdivision 1. b.~~ Any such late claim that would have

10 been payable under the policy under the plan if it had been filed timely and that was

11 not covered by a succeeding insurer shall be permitted unless the claimant had

12 actual notice of the termination of the plan or the notice was mailed to the claimant

13 by first class mail at least 10 days before the insured event occurred.

14 c. The commissioner shall provide periodic updates to the Health Insurance
15 Risk-Sharing Plan advisory committee under subdivision 9. regarding the plan's
16 dissolution, including, at a minimum, information about expenses and claims paid.

17 11. 'Audits.' The legislative audit bureau shall do all of the following:

18 a. Conduct its annual audit of the plan under section 13.94 (1) (dh) of the
19 statutes for calendar year 2013 by June 30, 2014.

20 11. b. Complete a final audit of the plan, after the termination of the plan in 2014,
21 ~~within 90 days after the office provides the final financial statements of the plan~~

22 ~~under subdivision 8.~~ ~~by June 30, 2015.~~ ~~score period~~

23 c. File copies of the reports of both audits with the distributees specified in
24 section 13.94 (1) (b) of the statutes. The costs of the audits shall be paid from the
25 funds of the authority or from the appropriation under section 20.145 (5) (g) or (k)

(cont of 5-20)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608 266 0341)

Library (608 266 7040)

Legal (608 266 3561)

LRB

Insert (1L)(b) (+0 INS 5-20)

¹⁵⁰/₄, including to persons whose coverage under the plan is funded under a contract with the federal department of health and human services, ¹⁵⁰/₄

(end of insert (1L)(b))

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

insert (1L)(c) (to Ins 5-20)

action: Act: rp

SECTION #. 2013 ^x Wisconsin ^x Act 20, section
9122(1L)(b)1.c. is repealed.

action: Act:
rp + cr

SECTION #. 20 ^x (13 Wisconsin ^x Act 20,
section 9122(1L)(b)2. is repealed and
recreated and recreated to read:

(end of ins. (1L)(c))

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3678/ins ^A

PJK:.....

INSERT (1L) (D) (to Ins 5-20) *v m ut run*

***NOTE: You can't mix filing and receiving. Which do you want, that the claims must be filed or received on June 1, 2014? I have retained the "filed" language from Act 20.

(END OF INSERT (1L) (D))



State of Wisconsin
2013 - 2014 LEGISLATURE

December 2013 Special Session



LRB-3678/P1

PJK&JK:jld&eev:jf

keep

NOW

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

DN

X Regen

1 AN ACT *to amend* 20.145 (5) (k), 71.07 (5g) (b), 71.07 (5g) (d) 2., 71.28 (5g) (b),
2 71.28 (5g) (d) 2., 71.47 (5g) (b), 71.47 (5g) (d) 2., 76.655 (2), 76.655 (5), 177.075
3 (3), 895.514 (2), 895.514 (3) (a) and 895.514 (3) (b) of the statutes; and *to affect*
4 2013 Wisconsin Act 20, section 9122 (1L) (b) 1. b., 2013 Wisconsin Act 20, section
5 9122 (1L) (b) 1. c., 2013 Wisconsin Act 20, section 9122 (1L) (b) 2., 2013
6 Wisconsin Act 20, section 9122 (1L) (b) 3. a. and c. and 4., 2013 Wisconsin Act
7 20, section 9122 (1L) (b) 8. (intro.) and 2013 Wisconsin Act 20, section 9122 (1L)
(8) (b) 8. a., 9. a., 10. a. and b. and 11. b.; **relating to:** extending the deadline for
(9) the dissolution of the Health Insurance Risk-Sharing Plan.

coverage under and

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.145 (5) (k) of the statutes, as created by 2013 Wisconsin Act 20,
2 is amended to read:

3 20.145 (5) (k) *Operational expenses.* All moneys transferred from the
4 appropriation account under par. (g) for operational expenses related to winding up
5 the affairs of the Health Insurance Risk-Sharing Plan, including hiring consultants,
6 limited-term employees, and experts.

7 **SECTION 2.** 71.07 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
8 is amended to read:

9 71.07 (5g) (b) *Filing claims.* Subject to the limitations provided under this
10 subsection, for taxable years beginning after December 31, 2005, and before January
11 1, 2014 2015, a claimant may claim as a credit against the taxes imposed under s.
12 71.02 an amount that is equal to the amount of the assessment under s. 149.13, 2011
13 stats., that the claimant paid in the claimant's taxable year, multiplied by the
14 percentage determined under par. (c) 1.

15 **SECTION 3.** 71.07 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
16 20, is amended to read:

17 71.07 (5g) (d) 2. No credit may be claimed under this subsection for taxable
18 years beginning after December 31, 2013 2014. Credits under this subsection for
19 taxable years that begin before January 1, 2014 2015, may be carried forward to
20 taxable years that begin after December 31, 2013 2014.

21 **SECTION 4.** 71.28 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
22 is amended to read:

23 71.28 (5g) (b) *Filing claims.* Subject to the limitations provided under this
24 subsection, for taxable years beginning after December 31, 2005, and before January
25 1, 2014 2015, a claimant may claim as a credit against the taxes imposed under s.

1 71.23 an amount that is equal to the amount of assessment under s. 149.13, 2011
2 stats., that the claimant paid in the claimant's taxable year, multiplied by the
3 percentage determined under par. (c) 1.

4 **SECTION 5.** 71.28 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
5 20, is amended to read:

6 71.28 **(5g)** (d) 2. No credit may be claimed under this subsection for taxable
7 years beginning after December 31, ~~2013~~ 2014. Credits under this subsection for
8 taxable years that begin before January 1, ~~2014~~ 2015, may be carried forward to
9 taxable years that begin after December 31, ~~2013~~ 2014.

10 **SECTION 6.** 71.47 (5g) (b) of the statutes, as affected by 2013 Wisconsin Act 20,
11 is amended to read:

12 71.47 **(5g)** (b) *Filing claims.* Subject to the limitations provided under this
13 subsection, for taxable years beginning after December 31, 2005, and before January
14 1, ~~2014~~ 2015, a claimant may claim as a credit against the taxes imposed under s.
15 71.43 an amount that is equal to the amount of assessment under s. 149.13, 2011
16 stats., that the claimant paid in the claimant's taxable year, multiplied by the
17 percentage determined under par. (c) 1.

18 **SECTION 7.** 71.47 (5g) (d) 2. of the statutes, as created by 2013 Wisconsin Act
19 20, is amended to read:

20 71.47 **(5g)** (d) 2. No credit may be claimed under this subsection for taxable
21 years beginning after December 31, ~~2013~~ 2014. Credits under this subsection for
22 taxable years that begin before January 1, ~~2014~~ 2015, may be carried forward to
23 taxable years that begin after December 31, ~~2013~~ 2014.

24 **SECTION 8.** 76.655 (2) of the statutes, as affected by 2013 Wisconsin Act 20, is
25 amended to read:

1 76.655 (2) FILING CLAIMS. Subject to the limitations provided under this section,
2 for taxable years beginning after December 31, 2005, and before January 1, 2014
3 2015, a claimant may claim as a credit against the fees imposed under ss. 76.60,
4 76.63, 76.65, 76.66 or 76.67 an amount that is equal to the amount of assessment
5 under s. 149.13, 2011 stats., that the claimant paid in the claimant's taxable year,
6 multiplied by the percentage determined under sub. (3).

7 **SECTION 9.** 76.655 (5) of the statutes, as created by 2013 Wisconsin Act 20, is
8 amended to read:

9 76.655 (5) SUNSET. No credit may be claimed under this section for taxable
10 years beginning after December 31, ~~2013~~ 2014. Credits under this section for taxable
11 years that begin before January 1, ~~2014~~ 2015, may be carried forward to taxable
12 years that begin after December 31, ~~2013~~ 2014.

13 **SECTION 10.** 177.075 (3) of the statutes, as created by 2013 Wisconsin Act 20,
14 is amended to read:

15 177.075 (3) Any intangible property distributable in the course of the
16 dissolution of the Health Insurance Risk-Sharing Plan under 2013 Wisconsin Act
17 20, section 9122 (1L), and 2013 Wisconsin Act (this act), section 20 (1) (b), is
18 presumed abandoned as otherwise provided under this chapter if sub. (1) (a), (b), or
19 (c) does not apply with respect to the distribution.

20 **SECTION 11.** 895.514 (2) of the statutes, as created by 2013 Wisconsin Act 20,
21 is amended to read:

22 895.514 (2) No cause of action of any nature may arise against, and no liability
23 may be imposed upon, the authority, plan, or board; or any agent, employee, or
24 director of any of them; or insurers participating in the plan; or the commissioner;
25 or any agent, employee, or representative of the commissioner, for any act or

1 omission by any of them in the performance of their powers and duties under ch. 149,
2 2011 stats., ~~or~~ under 2013 Wisconsin Act 20, section 9122 (1L), or under 2013
3 Wisconsin Act (this act), section 20 (1) (b), unless the person asserting liability
4 proves that the act or omission constitutes willful misconduct.

5 **SECTION 12.** 895.514 (3) (a) of the statutes, as created by 2013 Wisconsin Act
6 20, is amended to read:

7 895.514 (3) (a) Except as provided in 2013 Wisconsin Act 20, section 9122 (1L),
8 and 2013 Wisconsin Act (this act), section 20 (1) (b), neither the state nor any
9 political subdivision of the state nor any officer, employee, or agent of the state or a
10 political subdivision acting within the scope of employment or agency is liable for any
11 debt, obligation, act, or omission of the authority.

12 **SECTION 13.** 895.514 (3) (b) of the statutes, as created by 2013 Wisconsin Act
13 20, is amended to read:

14 895.514 (3) (b) All of the expenses incurred by the authority, or the
15 commissioner, or any agent, employee, or representative of the commissioner, in
16 exercising its duties and powers under ch. 149, 2011 stats., ~~or~~ under 2013 Wisconsin
17 Act 20, section 9122 (1L), or under 2013 Wisconsin Act (this act), section 20 (1) (b),
18 shall be payable only from funds of the authority or from the appropriation under s.
19 20.145 (5) (g) or (k), or from any combination of those payment sources.

20 **SECTION 14.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 1. b. is repealed and
21 recreated to read:

22 [2013 Wisconsin Act 20] Section 9122 (1L) (b) 1. b. Except as provided in 2013
23 Wisconsin Act (this act), section 20 (1) (b) 1. a. to c., coverage under the policies
24 issued under the plan, including to persons whose coverage under the plan is funded
25 under a contract with the federal department of health and human services,

1 terminates at 11:59 p.m. on December 31, 2013. At least 60 days before coverage
2 terminates, the authority shall provide notice of the date on which coverage
3 terminates to all covered persons, all insurers and providers that are affected by the
4 termination of the coverage, the office, the legislative audit bureau, and the insurers
5 described in subsection (1m) (b) 1.

6 **SECTION 15.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 1. c. is repealed.

7 **SECTION 16.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 2. is repealed and
8 recreated to read:

9 [2013 Wisconsin Act 20] Section 9122 (1L) (b) 2. 'Provider claims.' Providers
10 of medical services and devices and prescription drugs to covered persons must file
11 claims for payment no later than June 1, 2014. Any claim filed after that date is not
12 payable and may not be charged to the covered person who received the service,
13 device, or drug. Except for copayments, coinsurance, or deductibles required under
14 the plan, consistent with sections 149.14 (3) and 149.142 (2m) of the statutes, a
15 provider may not bill a covered person who receives a covered service or article and
16 shall accept as payment in full the payment rate determined under section 149.142
17 (1) of the statutes.

→ ****NOTE: You can't mix filing and receiving. Which do you want, that the claims
must be filed or received on June 1, 2014? I have retained the "filed" language from Act
20. by ✓

18 **SECTION 17.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 3. a. and c. and 4. are
19 amended to read: insert 7-9 ✓

20 [2013 Wisconsin Act 20] Section 9122 (1L) (b) 3. a. Except as provided in 2013
21 Wisconsin Act (this act), section 20 (1) (b) 3. a., except for a grievance related to
22 a prior authorization denial, a covered person must submit any grievance, in writing, is
move to p. 7

1 no later than 180 days after the date coverage terminates under subdivision 1. b. or
2 be barred from submitting the grievance.

3 c. ~~A Except as provided in 2013 Wisconsin Act (this act), section 20 (1) (b)~~
4 ~~3. b., a covered person who submits a grievance after the date coverage terminates~~
5 ~~under subdivision 1. b. must request an independent review, if any, with respect to~~
6 ~~the grievance no later than 60 days after he or she receives notice of the disposition~~
7 ~~of the grievance or be barred from requesting an independent review with respect to~~
8 ~~the grievance.~~

9 4. 'Payment of plan costs.' The Except as provided in 2013 Wisconsin Act
10 (this act), section 20 (1) (b) 4. b., to the extent possible, the authority shall pay plan
11 costs incurred in 2013 and all other costs associated with dissolving the plan that are
12 incurred before administrative responsibility for the dissolution of the plan is
13 transferred to the office under subdivision 8. The authority and the office shall make
14 every effort to pay plan costs in accordance with, or as closely as possible to, the
15 manner provided in section 149.143 of the statutes.

16 **SECTION 18.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 8. (intro.) is repealed
17 and recreated to read:

18 [2013 Wisconsin Act 20] Section 9122 (1L) (b) 8. 'Transfer to the office.' (intro.)
19 On February 28, 2014, all of the following shall occur:

20 **SECTION 19.** 2013 Wisconsin Act 20, section 9122 (1L) (b) 8. a., 9. a., 10. a. and
21 b. and 11. b. are amended to read:

22 [2013 Wisconsin Act 20] Section 9122 (1L) (b) 8. a. Administrative
23 responsibility for the operations and dissolution of the plan is transferred to the
24 office. The commissioner shall take any action necessary or advisable to manage and
25 wind up the affairs of the plan and shall notify the legislative audit bureau when the

1 windup is completed and provide to the legislative audit bureau the final financial
2 statements of the plan. For purposes of chapter 177 of the statutes, as affected by
3 this act, the dissolution, and winding up of the affairs, of the plan shall be considered
4 a dissolution of an insurer in accordance with section 645.44 of the statutes, except
5 that a court order of dissolution is not required to effect the dissolution of the plan.

6 9. a. There is created, ~~60 days after the date coverage under the plan terminates~~
7 ~~under subdivision 1. b. on March 1, 2014~~, a Health Insurance Risk-Sharing Plan
8 advisory committee consisting of the commissioner, or his or her designee, and the
9 other 13 members of the board holding office on the date the advisory committee is
10 created.

11 10. a. On behalf of the commissioner, the authority shall provide notice of the
12 plan's dissolution to all persons known, or reasonably expected from the plan's
13 records, to have claims against the plan, including all covered persons. The notice
14 shall be sent by first class mail to the last-known addresses at least 60 days before
15 the date on which coverage terminates under subdivision 1. b. or as provided in 2013

16 Wisconsin Act (this act), section 20 (1) (b) 5. a. Notice to potential claimants of the
17 plan shall require the claimants to file their claims, together with proofs of claims,
18 ~~within 90 days after the date on which coverage terminates under subdivision 1. b.~~
19 by June 1, 2014. The notice shall be consistent with any relevant terms of the policies

20 under the plan and contracts and with section 645.47 (1) (a) of the statutes. The
21 notice shall serve as final notice consistent with section 645.47 (3) of the statutes.

22 b. Proofs of all claims must be filed with the office in the form provided by the
23 office consistent with the proof of claim, as applicable, under section 645.62 of the
24 statutes, on or before the last day for filing specified in the notice. For good cause
25 shown, the office shall permit a claimant to make a late filing if the existence of the

1 claim was not known to the claimant and the claimant files the claim within 30 days
2 after learning of the claim, but not ~~more than 210 days after the date on which~~
3 ~~coverage terminates under subdivision 1. b. later than September 1, 2014.~~ Any such
4 late claim that would have been payable under the policy under the plan if it had been
5 filed timely and that was not covered by a succeeding insurer shall be permitted
6 unless the claimant had actual notice of the termination of the plan or the notice was
7 mailed to the claimant by first class mail at least 10 days before the insured event
8 occurred.

9 11. b. Complete a final audit of the plan, after the termination of the plan in
10 2014, ~~within 90 days after the office provides the final financial statements of the~~
11 ~~plan under subdivision 8. a. by June 30, 2015.~~

12 **SECTION 20. Nonstatutory provisions.**

13 (1) COVERAGE EXTENSION OF THE HEALTH INSURANCE RISK-SHARING PLAN;
14 ISSUANCE OF MEDICARE SUPPLEMENT AND REPLACEMENT POLICIES.

15 (a) *Definitions.* In this subsection:

16 1. "Authority" means the Health Insurance Risk-Sharing Plan Authority
17 under subchapter III of chapter 149 of the statutes.

18 2. "Commissioner" means the commissioner of insurance.

19 3. "Covered person" means a person who has coverage under the plan.

20 4. "Medicare" has the meaning given in section 149.10 (7) of the statutes.

21 5. "Medicare Advantage" has the meaning given in section INS 3.39 (3) (r),
22 Wisconsin Administrative Code.

23 6. "Medicare replacement policy" has the meaning given in section 600.03 (28p)
24 of the statutes.

1 7. "Medicare supplement policy" has the meaning given in section 600.03 (28r)
2 of the statutes.

3 8. "Office" means the office of the commissioner of insurance.

4 9. "Plan" means the Health Insurance Risk-Sharing Plan under subchapter II
5 of chapter 149 of the statutes.

6 (b) *Extension of the plan and authority.* Notwithstanding any statute,
7 administrative rule, or provision of a policy or contract or of the plan to the contrary,
8 the dissolution of the plan and the authority as provided in 2013 Wisconsin Act 20,
9 section 9122 (1L), is modified as follows:

(10) 1. 'Coverage provisions.' [✓] *Notwithstanding 2013 Wisconsin Act 20,*
section 9122 (1L)(b) 1. 1.

11 a. A covered person whose coverage under the plan was in effect on December
12 1, 2013, and who paid his or her December premium may elect to obtain a policy
13 under the plan by making a timely payment of the January 2014 premium. The
14 covered person must maintain the same policy benefits, including the same
15 deductible amount, that were in effect on December 1, 2013. A new deductible period
16 will commence on January 1, 2014. The premium for January 2014 must be paid no
17 later than February 1, 2014. Thereafter, the covered person must pay premiums in
18 accordance with the terms of the contract for coverage, which may not extend beyond
19 11:59 p.m. on March 31, 2014. Any medical claims that the covered person incurs
20 after December 31, 2013, and before the plan receives the premium payment for
21 January 2014 shall be held in abeyance and the plan shall not be responsible for
22 payment.

****NOTE: I used "held in abeyance" instead of "pending." Will the plan pay for these
claims after the premium is received? If so, it should be stated "until premium payment
is received."

see the following page:

1 b. If a covered person's coverage under the plan is funded under a contract with
2 the federal department of health and human services, the covered person's coverage
3 will end as provided in 2013 Wisconsin Act 20, section 9122 (1L) (b) 1. b., unless the
4 federal department of health and human services issues a contract amendment that
5 extends the contract and coverage to a date later than December 31, 2013, and the
6 terms of the contract amendment are such that the federal government will be
7 financially liable for all costs related to the operation of the contract that exceed
8 member premium collections.

9 c. If the requirements under subdivision 1. b. are satisfied, a covered person
10 whose coverage is funded under a contract with the federal department of health and
11 human services, whose coverage under the plan was in effect on December 1, 2013,
12 who paid his or her December premium, and who had not enrolled in Medicare
13 Advantage during the federal open enrollment period in 2013 or earlier may elect to
14 obtain a policy under the plan by making a timely payment of the January 2014
15 premium. The covered person must maintain the same policy benefits, including the
16 same deductible amount, that were in effect on December 1, 2013. A new deductible
17 period will commence on January 1, 2014. The premium for January 2014 must be
18 paid no later than February 1, 2014. Thereafter, the covered person must pay
19 premiums in accordance with the terms of the contract for coverage, which may not
20 extend beyond 11:59 p.m. on March 31, 2014. Any medical claims that the covered
21 person incurs after December 31, 2013, and before the plan receives the premium
22 payment for January 2014 shall be held in abeyance and the plan shall not be
23 responsible for payment.

****NOTE: I used "held in abeyance" instead of "pending." Will the plan pay for these
claims after the premium is received? If so, it should be stated "until premium payment
is received."

****NOTE: "During the open enrollment period in 2013 or earlier" is a bit vague. Is that limited to earlier in 2013?

d. No later than February 1, 2014, the authority shall provide notice that coverage shall terminate on March 31, 2014, to all covered persons, all insurers and providers that are affected by the termination of the coverage, the office, the legislative audit bureau, and the insurers described in paragraph (c) 1.

****NOTE: I thought it would be more relevant to the insurers in paragraph (c) in this subsection than to the insurers described in Act 20, section 9122 (1m).

2. 'Provider claims.' ^{Providers} Any claim for payment from a provider of medical services and devices and prescription drugs to a covered person whose coverage is extended as provided in this paragraph must be filed no later than June 1, 2014. Any claim filed after that date is not payable and may not be charged to the covered person who received the service, device, or drug. Except for copayments, coinsurance, or deductibles required under the plan, consistent with sections 149.14 (3) and 149.142 (2m) of the statutes, a provider may not bill a covered person who receives a covered service or article and shall accept as payment in full the payment rate determined under section 149.142 (1) of the statutes.

File claims for payment

****NOTE: I limited this to claims for services, etc., provided to persons whose coverage is extended, or it would not make sense to include this here since it is the same as when claims must be filed for persons whose coverage is not extended under Act 20, as amended by this bill. Note that I required claims to be filed rather than received by June 1, 2014.

3. 'Grievances and review.'

a. Any grievance by a covered person whose coverage is extended as provided in this paragraph must be in writing and received by the plan no later than July 1, 2014, or be barred.

b. A covered person whose coverage is extended as provided in this paragraph who submits a grievance after March 31, 2014, must request an independent review,

1 if any, with respect to the grievance no later than August 1, 2014, or be barred from
2 requesting an independent review with respect to the grievance.

3 4. 'Payment of plan costs.'

4 a. To the extent possible, the authority shall pay plan costs incurred in 2013
5 and 2014 and all other costs associated with operating and dissolving the plan that
6 are incurred before administrative responsibility for the dissolution of the plan is
7 transferred to the office on February 28, 2014.

****NOTE: I removed the language about "requirements are met as provided in
subsection (1L) (b) 8." because I didn't know what requirements were being referred to
and what the relationship was to the rest of the sentence. If you want some language back
in, please clarify the meaning.

8 b. The authority, before March 1, 2014, and the office, on and after March 1,
9 2014, shall pay plan costs in the manner provided in section 149.143 of the statutes,
10 except that the authority or office may use all available surplus before imposing an
11 assessment against insurers, as described in subdivision 4. c. All claims shall be
12 adjudicated on or before September 30, 2014.

13 c. The authority, before March 1, 2014, and the office, on and after March 1,
14 2014, but by no later than July 1, 2014, shall determine whether an assessment of
15 insurers under section 149.13 of the statutes is necessary to cover in full the plan's
16 expenses related to operations, winding up operations, and dissolution of the plan.
17 Such assessment shall be based on the 2013 filed plan assessment form.

18 5. 'Dissolution notice, claims, and updates.'

19 a. On behalf of the commissioner, the authority shall provide notice of the plan's
20 dissolution to all persons known, or reasonably expected from the plan's records, to
21 have claims against the plan, including all covered persons. The notice shall be sent
22 by 1st class mail to the last-known addresses no later than February 1, 2014. Notice
23 to potential claimants of the plan shall require the claimants to file their claims,

Let withstanding 2013 is version
Ad 20, section 9122 (1L) (b) 4,

Insert 13-12

Insert 13-17

Let withstanding 2013 is version
Ad 20, section 9122 (1L) (b) 4,

1 together with proofs of claims, by June 1, 2014. The notice shall be consistent with
2 any relevant terms of the policies under the plan and contracts and with section
3 645.47 (1) (a) of the statutes. The notice shall serve as final notice consistent with
4 section 645.47 (3) of the statutes.

5 b. Proofs of all claims must be filed with the office in the form provided by the
6 office consistent with the proof of claim, as applicable, under section 645.62 of the
7 statutes, on or before the last day for filing specified in the notice. For good cause
8 shown, the office shall permit a claimant to make a late filing if the existence of the
9 claim was not known to the claimant and the claimant files the claim within 30 days
10 after learning of the claim, but not later than September 1, 2014. Any such late claim
11 that would have been payable under the policy under the plan if it had been filed
12 timely and that was not covered by a succeeding insurer shall be permitted unless
13 the claimant had actual notice of the termination of the plan or the notice was mailed
14 to the claimant by 1st class mail at least 10 days before the insured event occurred.

→ *****NOTE:** Should this be limited to persons who extend coverage? This is the same
as under Act 20, as amended. Why are two identical provisions necessary? ↗

15 (c) *Medicare supplement and replacement policy issuance.*

✓ *****NOTE:** Are the people affected by this provision the same people described in
paragraph (b) 1. b. and c. above? If so, all that is needed are the following provisions. I
removed the proposed subdivision extending their HIRSP coverage because it is not
needed. Coverage has already been extended under paragraph (b) 1. b. and c. above. The
provision in Act 20 that is similar to this was intended for the purpose of guaranteeing
issue under Medicare supplement and replacement policies to persons eligible for
Medicare whose coverage under HIRSP was ending. It was separate from the provisions
related to terminating coverage under HIRSP and so this paragraph should not include
any HIRSP coverage extension. If I am mistaken and the people to whom this paragraph
applies are not the same people described in paragraph (b) 1. b. and c. above, please let
me know. There is no description of individuals in Act 20's subsection (1m) (b), as the
proposed language suggested. ↗ however,

16 1. In addition to the requirement under 2013 Wisconsin Act 20, section 9122
17 (1m), an insurer offering a Medicare supplement policy or a Medicare replacement

→ if Act 20 had a purpose to a purpose ✓

1 policy in this state shall provide coverage under the policy to any individual who
2 satisfies all of the following:

3 a. The individual is eligible for Medicare.

4 b. The individual had coverage under the plan.

****NOTE: It should not be necessary to specify that the individual had coverage on
December 1, 2013, because that is a requirement for extended coverage that ends on
March 31, 2014, as provided in subdivision 1. c. below.

5 c. The individual's coverage under the plan terminated on March 31, 2014.

6 d. The individual applies for coverage under the policy before 63 days after the
7 date specified in subdivision 1. c.

8 e. The individual pays the premium for the coverage under the policy.

9 2. An insurer under subdivision 1. may not deny coverage to any individual who
10 satisfies the criteria under subdivision 1. a. to e. on the basis of health status, receipt
11 of health care, claims experience, or medical condition including disability.

12 3. In addition to any other notice requirements to insurers, no later than
13 February 1, 2014, the authority shall provide notice to the insurers described in
14 subdivision 1. of the requirements under this paragraph.

15 **SECTION 21. Effective dates.** This act takes effect on the day after publication,
16 except as follows:

17 (1) HEALTH INSURANCE RISK-SHARING PLAN. The treatment of section 895.514

18 (2) and (3) (a) and (b) of the statutes takes effect on January 1, 2015.

19 (END)

d-note
↓

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3678/P1ins
PJK:.....

INSERT 12-13

****NOTE: I required claims to be filed, rather than received, by June 1, 2014. ✓ Please change this to received if that is what you intend. Since the date for filing is the same as for claims for services provided to persons whose coverage is not extended, I did not limit the claims to those for services provided after coverage is extended.

(END OF INSERT 12-13)

INSERT 12-17

****NOTE: Since the date for submitting a grievance is extended for a person whose ✓ coverage is extended, do you want to limit the types of grievances that may be submitted up to that date, such as grievances arising after December 31, 2013?

(END OF INSERT 12-17)

INSERT 13-12

****NOTE: I added "for payment" after claims. By "all claims," I assume they include ✓ provider claims. If not, please clarify which claims are being referred to.

(END OF INSERT 13-12)

INSERT 13-17

****NOTE: Does just the determination have to be made, or does any assessment ✓ have to be imposed by no later than July 1, 2014?

(END OF INSERT 13-17)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

LRB-3678/dn

PJK: *[initials]*

I've made a number of modifications to the proposed language. Please review the language carefully to make sure I haven't removed something that you feel is needed because it didn't make sense to me or because I imposed an interpretation that was not what you intended.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3678/P1dn
PJK:jld:jf

November 22, 2013

I've made a number of modifications to the proposed language. Please review the language carefully to make sure I haven't removed something that you feel is needed because it didn't make sense to me or because I imposed an interpretation that was not what you intended.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Walsh, Julie E - OCI <Julie.Walsh@wisconsin.gov>
Sent: Friday, November 22, 2013 4:43 PM
To: Kahler, Pam
Cc: Schwartz, Dan - OCI; Goldman, Amie - HIRSP
Subject: Fwd: Draft review: LRB -3678/P1 Topic: Delay for three months the dissolution of HIRSP and the changes to BadgerCare Plus

Pam

Below are the comments from Ici and HIRSP. I do not have an answer on the tax credit yet.

Julie E. Walsh
Senior Attorney
Wisconsin Office of the Commissioner of Insurance
Julie.Walsh@wisconsin.gov
Ph: (608)264-8101
Fax (608)264-6228
Mobil (608)417-0281

****CONFIDENTIAL*****

This communication is intended to be transmitted to or from the OCI legal unit and may contain information that is privileged, confidential and protected by the attorney-client, attorney work product or s. 601.465, Wis. Stat., privileges.

Begin forwarded message:

From: "Goldman, Amie - HIRSP" <AGoldman@hirsp.org>
Date: November 22, 2013 at 4:33:24 PM CST
To: "Walsh, Julie E - OCI" <Julie.Walsh@wisconsin.gov>
Subject: RE: Draft review: LRB -3678/P1 Topic: Delay for three months the dissolution of HIRSP and the changes to BadgerCare Plus

Hi Julie – I agree with everything you noted including the need to keep the Medicare language to create the special enrollment period. I just had one clarification and one change, which are noted in red below. Do you want me to follow-up with Pam or is there still time to incorporate them with your answers?
Thanks.

Begin forwarded message:

From: "Walsh, Julie E - OCI" <Julie.Walsh@wisconsin.gov>
Date: November 22, 2013 at 2:51:28 PM CST

On Nov 22, 2013, at 2:46 PM, "Walsh, Julie E - OCI" <Julie.Walsh@wisconsin.gov> wrote:

Dan my proposed responses to the questions:

- ✓ Page 6, line 16 Please use "filed"
- ✓ Page 10 line 10 Please add "until premium payment is received"
- ✓ Page 11 line 10 first comment Please add "until premium payment is received"
- ✓ Page 11 line 10 second comment Please redraft to read "During the open enrollment period in 2013" delete "or earlier"
- ✓ Page 11 line 14 Change proposed is fine as drafted
- ✓ Page 12 line 2 Please use "filed" and your assumption is correct
- Page 12 line 7 We are moving all grievances to one date at HIRSP request for simplicity. Therefore, we need to repeal and recreate 1(L)(b)(3) to reflect that the new dates for grievances as you did in your draft.
- ✓ Page 12 line 17 Change proposed is fine as drafted yes you can delete language
- ✓ Page 13 line 4 Change proposed is fine as drafted – yes claims include provider claims. It should say "provider claims" rather than "claims for payment" because we will have administrative claims that come in for payment after 9/30 that are paid of the Accounts Payable.
- ✓ Page 13 line 9 Please use "determination" for greatest flexibility
- ✓ Page 14 line 9 These are different people, the Medicare eligible persons - we are keeping similar requirements for the 3 different groups of HIRSP members (regular, federal funded, and Medicare eligible) so I paralleled Act 20 format by retaining the discussion of the Medicare members within their own section. The key for this group is not having applied for Medicare Advantage as that replaces Medicare Parts A and B and then the insurers can't wrap around Medicare. We do

*added
Med Adv
to 1.a.*

*do not "initially" and make 3.a + c. do later new 3.a + b.?
no change to old b.?
YPS*

still want to guarantee issue
Med supp for this group but
wanted to set their
requirements up uniquely.
Please let me know if I can help
further clarify.



Page 14 line 15
drafted.

Change proposed is fine as

Julie E. Walsh
Senior Attorney
Office of the Commissioner of Insurance
Phone: (608) 264-8101
Fax: (608) 264-6228

From: Schwartzer, Dan - OCI
Sent: Friday, November 22, 2013 2:19 PM
To: Walsh, Julie E - OCI
Subject: Re: Draft review: LRB -3678/P1 Topic: Delay
for three months the dissolution of HIRSP and the
changes to BadgerCare Plus

Yes, please forward answers to me and when we
have all the answers, we can reply right back to
Pam.

THanks
Dan

Sent from my iPad

On Nov 22, 2013, at 2:09 PM, "Walsh, Julie E -
OCI" <Julie.Walsh@wisconsin.gov> wrote:

I assume you have seen this and I will
work on answers and forward to JP,
Mollie and you.

Julie E. Walsh
Senior Attorney
Office of the Commissioner of Insurance
Phone: (608) 264-8101
Fax: (608) 264-6228

From: Wieske, JP - OCI
Sent: Friday, November 22, 2013 2:02
PM
To: Walsh, Julie E - OCI; Zito, Mollie K -
OCI

Cc: Schwartzer, Dan - OCI; Hurlburt,
Waylon - GOV
Subject: Fwd: Draft review: LRB -
3678/P1 Topic: Delay for three months
the dissolution of HIRSP and the
changes to BadgerCare Plus

Mollie and Julie

Please review ASAP.

Thanks!

JP.

J.P. Wieske, FLMI
Legislative Liaison & Public
Information Officer
Office of the Commissioner of
Insurance
jpwieske@wisconsin.gov
(608) 266-2493

Begin forwarded message:

From: "Hurlburt,
Waylon - GOV"
<Waylon.Hurlburt@wisconsin.gov>
Date: November 22,
2013 at 1:18:41 PM
CST
To: "Schwartzer, Dan
- OCI"
<Dan.Schwartz@wisconsin.gov>,
"Wieske, JP - OCI"
<JP.Wieske@wisconsin.gov>
Cc: "Kahler, Pam -
LEGIS"
<Pam.Kahler@legis.wisconsin.gov>
Subject: FW: Draft
review: LRB -
3678/P1 Topic:
Delay for three
months the

**dissolution of
HIRSP and the
changes to
BadgerCare Plus**

Dan and J.P.,

Can you please
reply to Pam with
answers to her
drafter's notes in
the Pdraft as soon
as possible? We
need to get a final
draft done soon
and combine it with
the Medicaid
changes.

Thanks.

Waylon Hurlburt

Policy Director

*The Office of
Governor Scott
Walker*

State of Wisconsin

(608)266-9709

From: LRB.Legal
[mailto:lrblegal@legis.wisconsin.gov]

Sent: Friday, November
22, 2013 12:54 PM

To: Hurlburt, Waylon -
GOV

Subject: Draft review:
LRB -3678/P1 Topic:
Delay for three months
the dissolution of HIRSP
and the changes to
BadgerCare Plus

**Following is the PDF
version of draft LRB
-3678/P1 and
drafter's note.**

<13-3678_P1.pdf>

<13-3678_P1dn.pdf>

Kahler, Pam

From: Hurlburt, Waylon - GOV <Waylon.Hurlburt@wisconsin.gov>
Sent: Monday, November 25, 2013 9:58 AM
To: Kahler, Pam; Dodge, Tamara
Subject: FW: Special Session Drafts

OCI is comfortable with the below language being added related to the tax credit. Please add.

Thanks.

Waylon

From: Schwartz, Dan - OCI
Sent: Monday, November 25, 2013 9:48 AM
To: Hurlburt, Waylon - GOV; Wieske, JP - OCI; Zito, Mollie K - OCI
Cc: Schutt, Eric - GOV; Polzin, Cindy M - GOV; Zipperer, Rich - GOV; Ziegler, Paul - DOA; Heifetz, Michael G - DOA
Subject: RE: Special Session Drafts

Hi,

I think we agree with some of what SBO came up with. Below is our opinion on the solution. Let me know your thoughts and if the budget shop should draft or if you want us to start drafting the provision. If more questions arise from this, please let us know so we can reach back to Fred Thorton.

Thanks

Dan

Fred Thornton (who is our tax expert in our financial division) is also confident that if we cap the available credit in 2014 to 1.25 million on a pro rata basis there should be no impact on GPR. I can draft the language to amend s. 71.28 (5g) (c) 1. - to create a 1m. that would limit the credit just for tax year 2014.

From: Hurlburt, Waylon - GOV
Sent: Friday, November 22, 2013 4:10 PM
To: Wieske, JP - OCI; Walsh, Julie E - OCI; Zito, Mollie K - OCI; Schwartz, Dan - OCI
Cc: Schutt, Eric - GOV; Polzin, Cindy M - GOV; Zipperer, Rich - GOV; Ziegler, Paul - DOA; Heifetz, Michael G - DOA
Subject: FW: Special Session Drafts

J.P.,

Below is the suggested change from SBO. If you are ok with it please have Pam Kahler from LRB add to the HIRSP draft so we can get this tied up on Monday.

Thank you.

Waylon

From: Ziegler, Paul - DOA
Sent: Friday, November 22, 2013 3:57 PM
To: Hurlburt, Waylon - GOV
Cc: Grinde, Kirsten - DOA; Heifetz, Michael G - DOA
Subject: FW: Special Session Drafts

Waylon – To limit the potential fiscal impact, we may wish to flag the following to the LRB and OCI:

The \$5 million factor which is used in determining the % of the assessments that are eligible for the HISRP assessment credit may need to be prorated from \$5 million to \$1.25 million for the Jan-March 2014 period (as specified under s.71.28(5g)(c)1, s.71.28(5g)(c)1., s.71.47(5g)(c)1., and under 76.665 (3)(a) to ensure that the proration factor remains appropriate relative to prior years.

While we have NOT given this detailed research, in absence of such a change, the fiscal impact for the 3 month extension under the credit may equal that as if it were a 12 month extension.

The credit is capped at \$5 million annually. Without any change suggested above, the 3 month impact could approach this level rather than one-fourth of this amount.

Paul

From: Quinn, Brian D - DOA
Sent: Friday, November 22, 2013 3:43 PM
To: Ziegler, Paul - DOA
Subject: RE: Special Session Drafts

Paul,

Here's my concern about the draft in its present form.

The credit is equal to the amount of the assessment paid under s. 149.13 multiplied by the percentage proration factor. Expressed algebraically:

C = Credit

A = Assessment

P = Percentage Proration Factor

$C = A \times P$

P in this case is equal to \$5 million divided by the total amount of assessments (sum of A for all participating insurers) determined under s. 149.13. That statute reads thusly:

“149.13 Participation of insurers.

(1) Every insurer shall participate in the cost of administering the plan, except the commissioner may by rule exempt as a class those insurers whose share as determined under sub. (2) would be so minimal as to not exceed the estimated cost of levying the assessment. The commissioner shall advise the authority of the insurers participating in the cost of administering the plan.

(2) Every participating insurer shall share in the operating, administrative and subsidy expenses of the plan in proportion to the ratio of the insurer's total health care coverage revenue for residents of this state during the preceding calendar year to the aggregate health care coverage revenue of all participating insurers for residents of this state during the preceding calendar year, as determined by the commissioner.

(3)

(a) Each insurer's proportion of participation under sub. (2) shall be determined annually by the commissioner based on annual statements and other reports filed by the insurer with the commissioner. The commissioner shall assess an insurer for the insurer's proportion of participation based on the total assessments estimated by the authority. An insurer shall pay the amount of the assessment directly to the authority."

My initial reading of it is that the assessments under s. 149.13 will decline since it will only be around for a quarter of a year. However, all that will happen is that the percentage P will increase since \$5 million simply gets divided into a smaller number. Therefore, we will still be on the hook for up to \$5 million for only a quarter year of coverage.

Conclusion: For determining the percentage in the 2014 tax year, the calculation shall be \$1,250,000 divided by aggregate assessments in 2014 under s. 149.13.

Brian Quinn
Executive Policy and Budget Analyst - Senior
Wisconsin Department of Administration
Division of Executive Budget and Finance
(608)-266-1923
Brian.quinn@wisconsin.gov

From: Ziegler, Paul - DOA
Sent: Friday, November 22, 2013 3:28 PM
To: Quinn, Brian D - DOA
Subject: FW: Special Session Drafts

From: Hurlburt, Waylon - GOV
Sent: Friday, November 22, 2013 1:20 PM
To: Heifetz, Michael G - DOA; Polzin, Cindy M - GOV; Schutt, Eric - GOV; Zipperer, Rich - GOV; Hoelter, Jon - GOV
Cc: Suhr, Daniel R - GOV
Subject: RE: Special Session Drafts

Attached is the HIRSP Pdraft. There are numerous drafter questions. I sent them to JP and Dan to work on those with the drafter.

DHS told me they were getting back to the drafter on the Medicaid portion today and the drafter was working the weekend to get it done.

Waylon

From: Hurlburt, Waylon - GOV
Sent: Thursday, November 21, 2013 12:04 PM
To: Heifetz, Michael G - DOA; Polzin, Cindy M - GOV; Schutt, Eric - GOV; Zipperer, Rich - GOV; Hoelter, Jon - GOV
Cc: Suhr, Daniel R - GOV
Subject: Special Session Drafts

Attached is the preliminary draft for the Medicaid changes and the drafting instructions from OCI for the HIRSP changes.

DHS is answering the drafters questions on Medicaid draft and LRB hasn't sent a preliminary draft on HIRSP yet. The idea is that when we are good with both drafts, they will combine them under the same LRB numbers into the Senate and Assembly versions.

I will forward any updated drafts when I get them.

Waylon Hurlburt

Policy Director

The Office of Governor Scott Walker

State of Wisconsin

(608)266-9709